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Japanese Multifunction Polis in Australia: The Newest New City Proposal Or Just Another Export from Japan?

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JAPANESE MULTIFUNCTION POLIS IN AUSTRALIA

The Newest New City Proposal; or Just Another Export From Japan?

David W. Edgington

> *Japan is a country which has changed dramatically over the last century of its history and continues to change at a rapid pace. At the moment when an observer satisfies himself/herself that he/she has mastered all Japan's intricacies, Japan will have already changed and left him/her behind.*
> (MITI official, Tokyo, June 1989)

The Japanese Ministry of International Trade and Industry (MITI) has approached the Australian Federal Government with a proposal to develop, in Australia "A Multifunction Polis scheme for the 21st Century" (MITI, 1987a). This scheme was presented to Australia as a A$5 to A$10 billion development plan for an international, futuristic and high-tech resort, through Australia-Japan cooperation. Both sides have agreed to investigate the proposal further and hope that the Multifunction Polis (hereafter MFP or 'Polis') will contribute towards international technological and cultural exchange in the Pacific region, as well as provide a model for new industries and lifestyles for the 21st Century.

> *The aim of this project is for Japan and Australia, located at the northern and southernmost edges of the Pacific Rim, to cooperate in the construction of a multifunctional 'City of the Future' which would present new ideas for new industry and life in the 21st Century while serving as a center for cultural and technological exchange in the Pacific.* (MITI, 1987a:4)

According to its creator, MITI, the MFP would combine leisure and resort facilities with high technology companies, research and development laboratories, educational institutions, international conference facilities, condominiums and cultural facilities. It would be a forum for international exchange in the region, as well as a model for new industry development and leisure and resort activities. MFP would "transcend previous forms of urban development" (Sanders, 1989:4).
Or to put it another way:

> *The MFP is a place of providing, gathering, and reproducing information of diverse aspects, strata and form, as well as for relaxation, comfort, surprise, joy, entertainment and intellectual stimulation.* (MITI, 1987a:9)

Precisely what the MFP will be and how much information will be combined with how much joy and intellectual stimulation, still remain to be worked out (McCormack, 1988).

But why would MITI suggest building such a center in Australia, involving international public and corporate research and development (R and D), and one which also concentrates on new 'high touch' or human service-based industries as well as the development of culture in its broadest meaning?

Moreover, just what type of city are the Japanese interested in building in Australia; and how does this match Australian development priorities, as well as the latest critical thinking on the role of cities in an age of information technology and service sector development?

This paper attempts to answer these questions and make sense of this unusual proposal -- both from the perspective of Australia-Japan relations as well as our more general understanding of how cities contribute towards economic development.

To fully grasp what is going on here we have to look at three or four critical trends in the Pacific Rim -- especially Japan's changing role, Australia's shifting economic fortunes in the 1980s, and the broad-scale forces leading to international cooperation in technology transfer and research consortia. But to begin with, an outline is given of the formal evolution of the MFP proposal and its treatment within Australia up to the end of 1989. This outline provides the background for subsequent sections dealing with the antecedents for the MFP idea in Japan, and its future prospects.[1]

HISTORY OF THE PROJECT

Although the genesis of the Multifunction Polis idea has never been formally revealed by MITI, at least one commentator has judged that this initiative resulted from a 1986 Japanese Government report, entitled "*An Outlook for Japan's Industrial Society towards the 21st Century*" (MITI, 1986). Plans to promote the international flow of people, cultural exchanges and

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industrial collaboration were outlined in the Japanese report, and the MFP initiative can be seen to be one option in effecting these plans (Queensland Premier's Department, 1988:1).

The Multifunction Polis concept was first presented at the Ninth Japan Australia Ministerial Committee in Canberra (January 1987) by Mr. Hajime Tamura, Japan's Minister for International Trade and Industry, to the Australian Minister for Industry, Commerce and Technology, Senator John Button. At that meeting the Australian side was invited to consider joining with MITI in sponsoring a A$5 billion to A$10 billion 'technology city' to be built on Australia's eastern seaboard (*Australian Financial Review*, 9 January, 1987). The following month, a paper was released for discussion by MITI, embellishing the initial proposal and describing the MFP as an "international, futuristic and hi-tech resort" (MITI, 1987b:1).

After an initially cool reaction by the Federal Government (*Australian Financial Review*, 9 January, 1987), possibly due the connotations with the previous 'Silver Columbia' plan,[2] interest grew and State governments were notified because of their responsibilities for urban and regional development. Subsequently, most of the States began developing proposals to host the city in their particular area. In June 1987, the Australian government agreed to the Japanese side preparing a 'pre-feasibility' study on the project (*Australian Financial Review*, 2 June, 1987), and MITI succeeded in producing a study report for the Australian government to respond to in September of that year. This outlined some further Japanese concepts for the MFP, focusing on issues relating to science, technology, resorts and leisure (Australian, 20 November, 1987). Cooperation between the Australian States and the Federal Government on the need to present a common front to Japan was achieved at a meeting in November 1987 (Australian Financial Review, 8 December, 1987). Thereafter a rejoinder to MITI's basic concept paper was made by the Federal Government incorporating nine principles for further development of the proposal (these related to concerns over the impact of the MFP on Australia's science and technology development, social integration and so on) and were agreed to by MITI (see Yencken, 1988:24).

Following the Australian side's go-ahead to move toward a full-scale feasibility study, the project and its deliberations up to that time were announced to the public in early 1988 (*The Age* [Melbourne], 6 January, 1988). The States subsequently each agreed to contribute $200,000 towards the MFP study (the total cost amounting to about A$4 million), which was also funded by the Federal and Japanese governments and private enterprise. By the middle of 1988 a complex organisational structure to guide the feasibility study was in place, including a Joint Steering Committee with Australian and Japanese representation and an associated Secretariat (Minister for Industry, Technology and Commerce, 1988).

Run by international management consultants (Arthur Andersen and Co.) the study considered issues such as the aims of the MFP and its relation to national goals, a concept design for the basic development and major functions, potential investors, site requirements, and the way the MFP would operate and link into international developments (Department of Industry, Technology and Commerce, 1989). Operational factors, such as the project's technical and financial feasibility, were also addressed (*Australian Financial Review*, 6 January, 1988).

To assist the study, a forum from the private business sector was set up comprising more than 85 Japanese firms and an equivalent number of Australian companies. The Japanese companies included Nippon Steel, Kobe Steel, Canon, Sony, Toshiba, Toyo Engineering, Hitatchi, Fujitsu, Mitsubishi and the Toyo Kobe Bank. The Australian side comprised major national-based corporations, overseas subsidiaries and public enterprises - such as AWA, Austat, BHP, Bond Industries, CRA, Esso Australia, Telecom, Nissan Australia, Mitsubishi Australia, the ANZ Bank, Westpac Bank, Dalgety, Ansett and Qantas (*The Age*, 28 September, 1988). These firms and others paid A$10,000 each to join the two domestic MFP committees (one Japanese, one Australian) which were set up to provide an input into the study. In 1988 the MFP committees commenced their study by forming working parties in areas ranging from construction, through banking and insurance to tourism, trading and venture capital (*Australian Financial Review*, 7 October, 1988).

The final stage of the feasibility study, completed by end-December 1989, was intended to involve formulating likely investment plans for interested investors (both in Japan, Australia and elsewhere), as well as recommending site options for alternative MFP forms, financing and governance programmes, etc and the consolidation of the study material (Department of Industry, Technology and Commerce, 1989)[1].

Parallel work, carried out with a substantially smaller budget (less than A$100,000), involved a Social Issues Study, also completed in 1989. The objective of this piece of work was to examine the likely social, cultural and environmental problems associated with the Multifunction Polis proposals (Yencken, 1988, 1989a).

Community response to the MFP idea in Australia has been mixed. Perhaps not surprisingly, many people have had difficulty coming to grips with 'just what is a Multifunction Polis'. When the MFP concept was first mentioned in the official reports and the press, it struck some observers as 'pie-in-the-sky bureaucratic idealism' (Information Research Unit, 1988a:2). But due to Japan's high profile in Australia generally, the project received increasing public awareness via the media during 1988 and 1989.

Japan is Australia's largest trading partner, therefore it is not surprising that response at the government level, particularly after mid-1987, has been enthusiastic. Australian exports to Japan are still mostly bulk commodities such as coal and wool, and there is a widely perceived need to add value to more

exports, and to sell Japan more intermediate and finished goods and services (Australia Japan Business Forum, 1987). Technology, cultural and personal links between Japan and Australia are still very weak. Seen in this light, and also in the context of reduced investment from Japan after the early 1980s in the resources and manufacturing areas, MFP has been perceived to provide a broadening of Australia-Japan trade, increased investment, and a general stimulus to economic activity (Edgington, 1989a). Many others however have been highly sceptical of the MFP idea, and are suspicious of Japanese motives in seeking to establish an MFP on Australian soil (see for example McCormack, 1988). For instance, from the beginning of 1988 there have been growing signs of a public reaction against snowballing Japanese investment in the commercial and recreational real estate sector, especially in places such as Sydney and the Gold Coast (*Business Review Weekly* [Sydney], 31 March, 1988). Anti-MFP feeling was also used by the Liberal opposition party at the time of the March 1990 Federal election (*Far Eastern Economic Review*, 12 April, 1990).

Mandeville notes that, as with many new concepts, the Multifunction Polis idea "didn't come out of nowhere, but had a number of antecedents" (Mandeville, 1989:26). Reviewing these will help in the process of understanding the motivations behind this scheme and the evaluation of its significance in Australia and the wider Pacific region.

JAPAN IN THE GLOBAL ECONOMY

Many people have wondered why MITI would wish to locate a new city with research and resort functions in Australia. This question can be broken down into two related issues: why locate such a project offshore, and why Australia?

To begin with, Multifunction Polis has to be seen in light of much discussion as to where the Japanese economy and society itself is headed in the 1990s and beyond - and, in particular, the necessity to both upgrade its indigenous research effort and also contribute more fully to the international community.

Japanese Research and Development

A consensus has now emerged in Japan that in order to meet its future technology objectives it will need to establish a substantially improved capability in basic research. According to conventional wisdom, Japan has thrived by exploiting and developing readily available foreign technology (Japan Secretariat, 1984, 1986a). Having 'caught up with the West', it is considered that new ideas to exploit will be harder for Japan to come by, and further rapid economic progress inhibited as a result. Also of concern to some Japanese is the possibility that the United States and Europeans might now start putting barriers in the way of their own technology exports, in an effort to limit the competition from Japan (ibid.)

Accordingly, the Japanese government has encouraged the private sector to increase its basic research effort and, in addition, is looking at ways of modifying the education system to encourage this process. Establishment of high profile 'national projects' such as the Fifth Generation Computer Project (Feigenbaum and McCorduck, 1983) can be seen as an example of the government's approach to lead the way in high risk, long-term technological development. The sums of money provided by the government to stimulate research are not large but they provide an indicator to the private sector as to the direction that R&D should be taking (McMillan, 1989).

While the private sector supplies the bulk of research and development expenditure, the government - specifically the Ministry of International Trade and Industry - is a major source of ideas relating to Japan's overall technology strategies (Japan Secretariat, 1986a:8). MITI, through its Agency of Industrial Science and Technology, also organizes cooperative basic research projects, develops intellectual property laws, and monitors Japan's international competitiveness in the different fields of technology. Other government agencies, such as the Science and Technology Agency, also have important roles to play in Japan's technology programs (McMillan, 1989:35). Thus while Japan's great strength is in production technology, the government, together with the private sector, devotes enormous effort to monitoring and evaluating developments in basic research world-wide. Japan has proved itself to be unequalled at identifying, refining, and exploiting new ideas, whatever their origin: MFP is yet another mechanism for carrying this process out.

Japanese Internationalization

This concern with the need to develop indigenous research has coincided with a more general awareness by the Japanese of the nature of their post-industrial society and the requirement to play a fuller role in the international community.

In this context, the prestigious National Institute for Research Advancement (NIRA) in Tokyo recently articulated a desirable utopian future for Japanese society that seems to underlie a good deal of the MITI writings on the MFP. This view has four main elements: the basic value systems of society will shift from goods to information; networking between various sectors and strata of society will increase and will be supported by rapid developments in communications technologies, and these factors will create a free and abundant flow of information; information resources will assume critical importance and be considered the common property of all members of society; and information technologies will augment human intelligence leading to a more creative society (NIRA, 1988, cited in Information Research Unit, 1988a:2; Yencken, 1989a:8).

Such utopian views of a possible new Japanese and global information society are undoubted antecedents to the Japanese MFP idea. Even more importantly, NIRA has also articulated

Japanese perceptions of new roles for the country on the international scene which mirror the concerns over research and technology outlined above. Thus in the past, NIRA notes, Japan has prospered from the US defence umbrella, free trade, and the opportunity to make use of scientific and technological knowledge produced by others. But unless a new approach is taken, NIRA warns, present prosperity may hold the seeds of disaster; such as trade sanctions, increased anti-Japan sentiment, and the possibility of protectionism including efforts by the US to block the unimpeded flow of research and technology (Information Research Unit, 1988a:6).

Japan, NIRA argues, is now at the forefront of technology and must therefore shift effort from imitation to a focus on original creative research. Enlightened self-interest is perhaps behind the sentiment that Japan should return to the international community what it has received over the years and share its expertise in science and technology and its industrial strength with the rest of the world. Though not expressly considered by NIRA, it is clear that the MFP could be a mechanism in this process. In its report NIRA recommends both an overseas research institution established with Japanese funding, and an international research institute located in Japan. Both of these ideas are clearly antecedents to the MFP concept (ibid:7).

Overseas Investments

This counsel by NIRA is based upon the knowledge that only in the 1980s has Japan started to internationalize its economic base. Previous patterns were for Japan to keep all, or as much as possible, of its technology at home. This characteristic helped to differentiate Japanese firms, such as NEC or Nissan, from equivalent multinational corporations in North America and Europe (for case studies in Australia see Edgington, 1989a; 1990a).

Today, however, Japanese manufacturers have joined the ranks of the 'global companies' (*Economist*, 19 August, 1989). They have been forced to do so by three things: firstly, the high yen which makes Japan the most expensive location in the world for manufacturing; secondly, a continuing high trade surplus and trade protectionism in host countries; and thirdly, 'investment friction' which is requiring a much higher local manufacturing content in Japanese factories abroad than previously required (Edgington, 1990b).

But above all else, Japan is now the world's largest creditor nation and financial power (Burstein, 1988). Japan is currently the world's number one capital supplier, with net external banking assets standing at US$1,410 billion at September 1987 (Wright and Pauli, 1988:6). It seems very likely that a combination of continued large excess of domestic savings, huge current account surpluses, relatively low domestic interest rates, and further relaxation of capital controls, will mean continued net capital outflows from Japan over the foreseeable future.

Of over-riding importance for the MFP proposal then is that there is great potential for even further Japanese expansion in the area of direct foreign investment - either by the direct establishment of new subsidiaries or by way of acquisition. Despite Japan's higher economic growth performance, cumulative foreign direct investment as a proportion of GNP is still the lowest among major industrial countries (eg. roughly 4 per cent in 1986, as opposed to about 21 per cent for the USA and 17 per cent for the UK and West Germany) (interview with T. Yanashima, International Business Affairs Division, Industry Policy Bureau, MITI, June 1989).

Other Pressures

Changes in the domestic situation are also leading to Japan's gradual internationalization. Over the past two years there have been signs that the Japanese economy is gradually responding to current challenges - which include the rise in the value of the yen, continuing current account surpluses and resulting trade friction, and a new rise of consumer values. Thus domestic demand is up, reflecting increased household spending, as well as construction and public investment. Industries are beginning to move off-shore. Imports are rising and market access to Japan is gradually improving in response to external demands, as well as pressures at home from consumers. In 1984 some 8.4 million Japanese went abroad and this number is expected to climb to 10 million in 1991 (Tourism Research Group,1989:3). "Such travellers are beginning to wonder why everything at home costs so much more; why they should pay so much to support Japan's inefficient agricultural and distribution industries?" (Information Research Unit, 1988a:7). If these trends continue, the 1990s may see a significant opening up, or internationalization, of the Japanese economy. The MFP idea is consistent with this new thrust.

In summary then, although Japan is a major global exporter, it has remained a closed, inward-looking society. Recently, though, internationalization has come on to the national agenda. The NIRA and MITI documents, as well as other sources, suggest that Japan is seeking to become a more open, cosmopolitan and outward looking society. This implies not only more Japanese living, working, and studying abroad, but more foreigners living, working and studying in Japan. The MFP, of course, would facilitate such an international exchange.

International Technology Transfer

What the Japanese government is doing in promoting the MFP is, of course, not contrary to market principles. Strategic alliances in technology production and use is an increasing trend generally among multinational enterprises (Parry, 1984; Vickery 1986; Information Research Unit, 1988a:10). Japanese firms have themselves been in the forefront of this trend after 1985 (McMillan, 1989).

Yet only in the past decade have the Japanese started to internationalize their research base - with commercial alliances, cooperative research projects, overseas science funding, extensive international technology intelligence, and joint research tie ups. Today that internationalization is extensive and growing (ibid).

Ways in which Japanese corporations are expected to further internationalize their research and gain access to foreign technology include: government to government industrial and science agreements; developing world scale domestic research projects (such as the 'fifth generation' computer program); participation in international research projects such as 'global warming'; joint ventures with foreign companies; 'intelligence' activities of Japanese company and government representatives based overseas; through Japanese students carrying out research in company or government laboratories overseas; through Japanese firms buying heavily into research projects in foreign universities; through the direct establishment of research facilities in overseas countries employing research and technical personnel from the host country; through licensing agreements with foreign companies in return for access to Japanese finance, together with manufacturing or marketing expertise; and by inviting foreign technicians and researchers to work in Japan (ibid.).

Global institutions to deal cooperatively with global research and technology transfer issues are also proliferating. The Information Research Institute of the University of Queensland note that organisations are increasingly coordinating activities that were once left to the free play of market forces (ie. arms lengths transactions between firms). "Left to itself the market does not cope well with either the information or uncertainty inherent in cutting edge research and technology. Organisations working toward targeted goals are replacing the 'invisible hand' of supply and demand" (Information Research Institute, 1988a: 9). "In the information era, people, organisations and institutions are becoming the real wealth of nations and of the global economy" (ibid.). In this regard, international institutes (such as the University of Hawaii's East-West Centre) and moves to attract overseas universities to establish companies in Japan, are further antecedents to the MFP idea.

An offshore location of Japan's R&D effort then is perfectly consistent with that nation's long term internationalization, and science and technology development strategies. It can assist in recycling the yen surplus, as well as encouraging the movement of people and industry offshore as a means of learning about Western societies to more effectively do business with them. If Japan is going to develop new, creative technologies, one way is to link into various international, interfirm technological collaborative arrangements. Moreover, a non-Japan, non-USA location offers a neutral venue for such joint ventures: it is another way to expose Japanese researchers to more open, Western R&D environments.

All of this leads to the conclusion that if MFP is a vehicle for Japanese internationisation, a Polis in Australia must be seen as a truly international city with opportunities for many other countries to invest in. From Japan's perspective, the objective must be to attract as many overseas R&D based companies as possible: conversely, Japan would not be so nearly enthusiastic about merely an Australia-Japan collaboration for MFP (interview with H.Tezuka, Leisure Development Office, Industrial Structure Division, MITI, Tokyo, April 1988).

Australian Perspectives

MITI has expressed a number a formal reasons for wishing to locate the MFP specifically in Australia: to help build a deeper economic relationship between the two countries, climate, similar time zones, availability of land, and Australia is an English speaking country (Yencken, 1988: 21).

Underlying all these motives is Japan's wider interest in developing stronger regional relationships in the Western area of the Pacific Rim to counter or balance the growing integration of the European community, the recent Canada-US free trade agreement, and any restrictions of access to the United State's markets and its research.

Compared to other west Pacific countries, Australia is Western, has contact with the USA, is English speaking and is stable politically and economically. For the Japanese, Australia now offers probably the best location in the Pacific Rim to establish good working relationships with the US and to overcome difficulties, sensitivities and 'Japanese bashing' in that country. (Until the rash of land purchases by Japanese companies and individuals in 1988 and 1989, Australian attitudes to the Japanese had been less negative than those held in many other parts of the world). Australia and Japan are in the same time zone and this is useful for international travel and communications. On top of this, Australia has "social/cultural characteristics which the Japanese might consider worthy of exploration and analysis in the light of their other objectives considered above (eg. personal freedom, creativity, individuality, openness, unconventionality, ethnic and cultural diversity, warmth and friendliness)" (ibid:22). Japan almost certainty could benefit from studying Australian tolerance of differing points of view. This quality of encouraging differences - adapted to Japanese needs - will be an increasingly vital intangible element in Japan's future economic growth, since that growth increasingly will depend on innovation, variety, and the successful organisation of multinational companies.

The primary objectives, however, must be seen as opportunities for extended exposure of Japanese people to an English-speaking culture for learning, leisure etc.; opportunities for business interests to gain international exposure and experience; and to make strategic investments, and opportunities for the application of technology to the lifestyle industries.

Above all else, Australia is a country that Japanese can feel comfortable in (ie. there is high political stability, relative low levels of crime, etc.). Research by the author has found that for many Japanese firms Australia often plays the role of a stepping stone to wider world markets - in both manufacturing, sales and service activities (Edgington, 1990a). Japanese tourism in Australia has also grown. Between 1978 and 1985 the number of Japanese tourists in Australia increased from 34,000 to 108,000. In 1988, the year of Australia's Bicentennial celebrations, over 300,000 Japanese visitors came to Australia (Yencken, 1989a:102). Among the many nations of the Western Pacific, Japan and Australia have the most nearly attuned standards of values. The two are not only economic allies, but are also political companions with common ideas. Japan does not possess many real friends in the international community. Of the few that it does have, Australia is among the closest. All in all, therefore, it is understandable that Japan should turn to Australia with an invitation to cooperate in implementing the MFP concept at this time.

On the Australian side, the Australian government has placed a high priority on restructuring the Australian economy towards the production of more higher value-added goods and services. The urgency of this task is recognised by most sectors of the community, especially following the recent sharp decline in the country's terms of trade and the deterioration in the balance of payments (Australian Manufacturing Council, 1986:6). The devaluation of the Australian dollar in the mid-1980s, together with relaxation of foreign investment guidelines at the same time, may make investment in Australia more attractive to Japanese and other sources of investment (Japan Secretariat, 1986b).

Potential industries in the MFP have been suggested by MITI and its forum to include hi-tech industries such as biotechnology, new materials and rare metals, and computer software (MITI, 1987b). Other potential industries suggested by MITI include the so-called 'hi-touch' industries emphasizing lifestyle and leisure development - e.g., continuing education, the convention industry, the resort industry and a resort academy. Australia is already catering well to the convention industry, ranking 16th in the world in 1985 for numbers of international conventions held by any country (ibid:30). However, there is no one dominant convention city in the country. It is considered that with proper facilities the image of the MFP as a convention city could be very appealing. Since its very nature as a centre of international exchange makes conventions necessary, it could increase the number of international conventions held in Australia - 'the land of nature and space' (Information Research Unit, 1988a:15)).

WHAT KIND OF CITY?

In July 1988, in Tokyo, Naohiro Amaya, ex-Vice-Minister of MITI, currently leader of the Japanese delegation to the MFP Joint Steering Committee, used geographic imagery, seeing the MFP as a "combination of the Cote d'Azur, Geneva and Japan's Tsukuba Science City". Barry Jones, Australian Minister of Science, said to him, "You mean a kind of Tsukuba with surf?" - and Amaya agreed (reported in Jones, 1989:6).

This section covers ideas from both Japan and Australia that have speculated on the possible form and location of the MFP as a living and working environment for a truly international community.

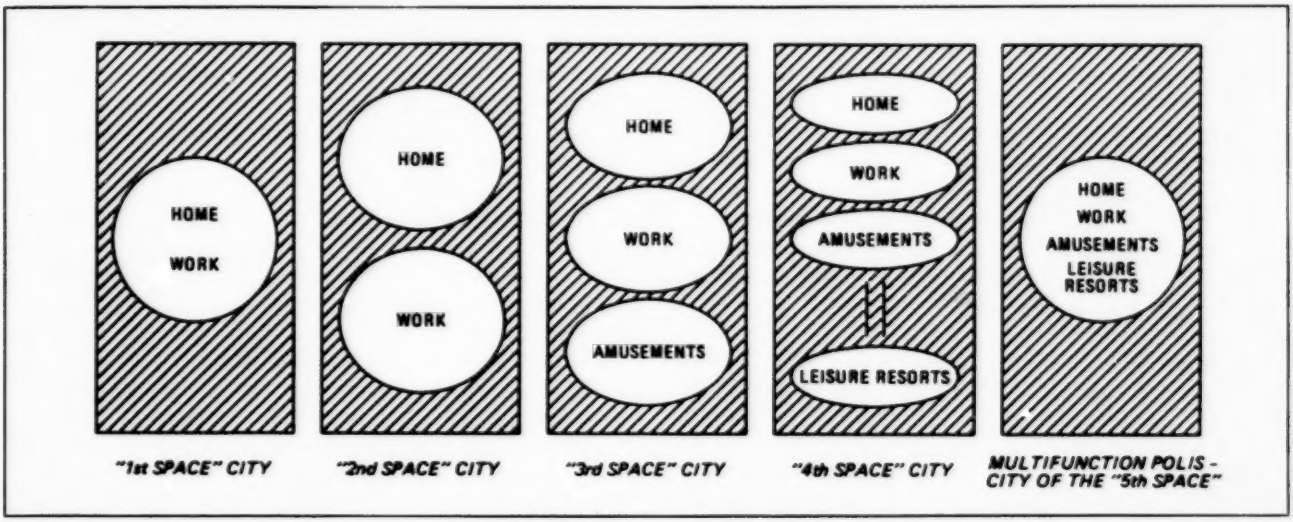
We have seen that the MFP idea was proposed initially by MITI as a new concept - an experimental city differing from all those in the past, in which all functions could be organically integrated into a new living space (called a 'sphere' by MITI): the city of the 'fifth space'.

According to MITI, the 'first space' existed prior to the industrial revolution when a home and workplace were combined in one place (see Figure 1). With industrialisation came the 'second space' - the separation of home and work. Later came the 'third space' - amusement places detached from both home and work. This was followed by the 'fourth space' as 21st Century city 'anomie' developed; at this time leisure resorts, located outside the city, evolved with short term accommodation. The MFP is regarded as a leap to the 'fifth space' - where living, play, education and workspaces could be again integrated within the city and arranged in close proximity, and where urban structures would be humanistic (MITI, 1987b:8).In Japan many people may live in one place, commute a long distance to work in another, and visit a leisure resort once a year in still yet another place; in Australia, however, residents of places such as Sydney, or Brisbane and the adjoining Gold Coast would seem to be already enjoying life in the 'fifth space' (Information Research Unit, 1988a:14). According to MITI, the majority of residents in the MFP would be semi-permanent (residing from a few weeks to a few years). This is consistent with its vision for the MFP, which is to provide an international forum facilitating the exchange of advanced technology, cultural exchange, and the creation of new cultural ties between Australia and Japan as well as including other nations in the Pacific Rim and the globe.

In the MITI vision then, as well as the normal infrastructure of a city, the MFP will be characterised by additional support infrastructure: special medical and health systems, education and training systems, information systems, and transport systems. While ordinary cities have such facilities, in the MFP they would have unique features (e.g., environmental conservation facilities, recurrent life-long education, CATV [community access cable television], teleshopping, tele-education and tele-commuting facilities). The emphasis in the MFP proposal therefore is very much oriented toward development of the right 'soft' infrastructure rather than the hard infrastructure of bricks and mortar.

One thing certain about the MFP is that it is meant to be a 21st century institution. Accordingly, MITI's intention has been that

Figure 1: The Evolution of the City According to MITI, Japan (MITI, 1987a)



its design should attempt to take account of what the future information society and, indeed, the future information city might look like.

The Japanese Approach

Some characteristics of the initial MITI concept arising from their three reports on the MFP, can be summarised. It is a project in a place - a new city on a single site. It will require a huge investment implying a Tsukuba Science City-like, top down Big Government, Big Business, Big Science and Big Technology involvement (Information Research Unit,1988a:20). Concerns have been expressed that if the MITI concept were to be implemented, then it is unclear what the scope for Australian participation in such a project might be (ibid.).

To understand the various prior influences leading up to MITI's vision for the MFP, the proposal must be seen in the context of Japanese fondness for 'blueprints' setting long-term goals for society, the economy, and urban and regional development (Glickman, 1979). Commentators have noted the utopian element inherent in the 'city of the fifth space' and that new towns and cities - similar to say Brazilia, Canberra and Tsukuba Science City - are clearly an antecedent (Information Research Unit, 1988a:3).

The evolving MFP concept has considerable practical background in Japan, through both the Tsukuba Science City project, as well as other Japanese programs linking technology with urban and regional development (Edgington, 1989b). The Japanese 'technopolis' experience - itself arising out of the desire to replicate Silicon Valley throughout Japan - is an MFP antecedent. The aim of the technopolis program is to blend high technology industry, science, and a comfortable, cultural, living environment into new communities that emphasise the development of creative, well-rounded people (Tatsuno, 1986). It is often observed that Japan's Tsukuba Science City - perhaps the first of the technopolis projects - has the technology but lacks 'culture'. Critics have pointed to its sterility, the lack of communication between public sector participants, and until recently the lack of effective interaction between participants and the private sector (Edgington, 1983a, 1989b).

Mandeville has already compared and contrasted the technopolis concept with the Multifunction Polis concept. He concludes that:

> *the MFP concept can probably be regarded as a kind of offshore technopolis... Like technopolis, the MFP is expected to become an incubator for next generation technologies* (Mandeville, 1988:102).

Yet while the two concepts are broadly similar, there are differences. Technopolis is a regional development initiative within Japan; MFP is a international initiative for the Pacific Rim. This international dimension and the ability for Japanese researchers to closely interact with their overseas counterparts is missing in the Technopolis projects. Accordingly then, particularly if leading edge American interest is attracted, the MFP proposal is consistent with the new Japanese strategy of becoming more involved in international joint ventures and collaborative R & D projects.

Another major difference is the resort emphasis of the MFP. The resort function and associated service activities, such as recurrent adult education, have equal emphasis with technology in the MFP concept.

The Australian Approach

In a brief statement on its concept of the MFP, the Australian Department of Industry, Technology and Commerce (DITAC) accepted the preliminary MITI view that the MFP should be a futuristic international city. However, DITAC stressed that it should be an international venture including Australia, Japan, and North American, European and Pacific Basin countries.

Already there is some evidence that Australia has moved away from the 'new city' MFP concept to an alternative view of the MFP -- one of a planning process rather than a city of bricks and mortar. In fact, a distinctly different concept of the MFP has emerged from the Premier's Department of the Queensland State Government (Premier's Department, 1988). The Queensland view of the MFP has regarded it as much more of an umbrella network process rather than a specific project in a single place. This image of the project is not a single self-contained city, but one spread over multi-sites in South-East Queensland and elsewhere and connected by state-of-the-art information technology. Fundamentally, MFP has been conceived of here as a management process through which a large number of individual projects -- each with decentralised control - would emerge. It is to be implemented with little or no government resourcing, but with considerable indirect government facilitation. It is intended that MFP implementation should draw upon private initiative and 'bottom up' planning processes.

Specifically, the Queensland Government has proposed a 'hub and spoke' concept (also endorsed by the Federal DITAC) whereby a nucleus or core facility would contain the central office and communications functions, but other functions could be arranged in a decentralised manner (Premier's Department,1988). The Queensland concept of the MFP regards the physical arrangements as involving three levels of facilities (see Figure 2). First a nucleus or core facility would be constructed. This complex is seen as either a new 'stand alone' development located on a new site, or as an infill project within an existing urban area. This would then be surrounded by adjacent facilities in free standing locations, within about half an hour travelling time from the core facility, for the research function, the convention function, and the education function, etc. Finally, outside of approximately thirty minutes travel, a set of affiliated facilities to MFP might be developed, including centres of excellence elsewhere in Australia or indeed the entire Pacific region (ibid). Thus while the MFP will almost certainly lead to some sort of physical manifestation, whether it will be infill development in existing cities or located at some completely new place remains to be resolved.

In the same way as the Queensland Premier's Department does not conceive of the MFP as a new city project, then interestingly, a majority of respondents to a survey of 85 Australians knowledgable about the MFP in 1988 also saw the MFP primarily as an organisational process (Information Research Unit, 1988b). Moreover, some of the Australian companies who were part of the feasibility studies for the MFP have also stated that the project need not be a city at all. Rather it might comprise a core of activities, that could be seen as a new town development, but which would more importantly co-ordinate a dispersed network of government, research and business ventures - the dispersed network providing the real strength of the MFP (*Australian Financial Review*, 20 September,1988).

Is the MFP a new city then, or is it merely a new type of organisational network? At this stage it would be fair to say that no one knows. At this stage (early 1990) there are still many alternative propositions, ranging from the Arthur Andersen Final Consultancy Report to the different proposals still being developed by the States (Yencken, 1990). As indicated, the initial MITI documents suggest a new city project, and the consultants, DITAC and some States seem to have initially accepted this concept while stressing some a-spatial elements.

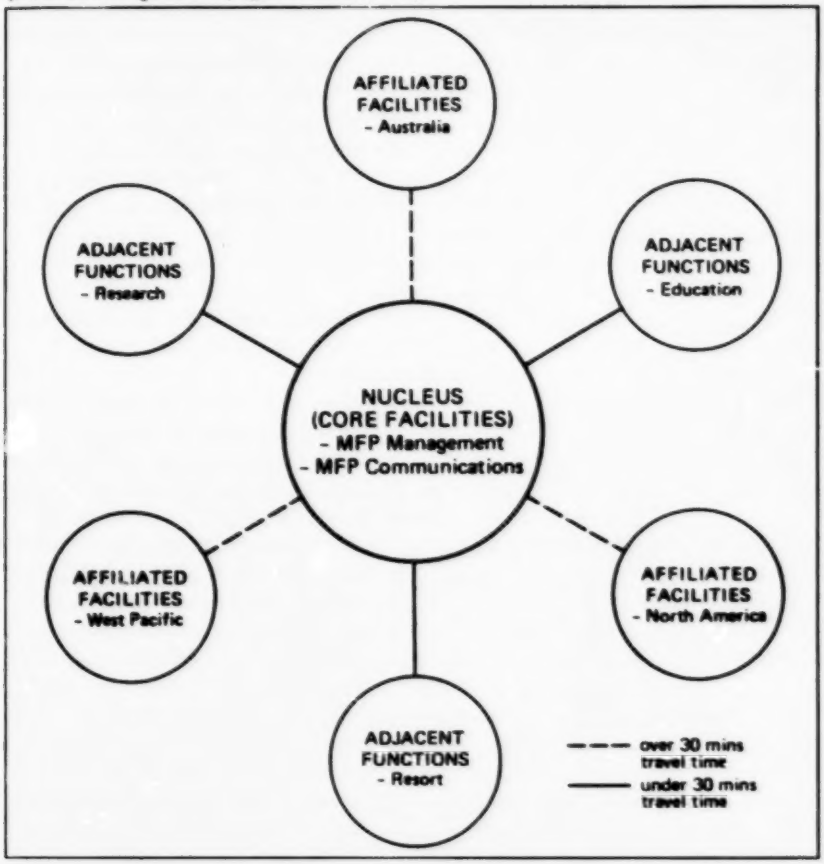
So to contrast the two broad approaches, the MITI concept is basically a project in a place -- a new city on a single site. It will require a huge investment. Emphasis in their discussion is on the resort function and hardware aspects of buildings and amenities, as well as the computers and communications and other infrastructure that will be required. Of course there are some obvious advantages to the MFP being a single city. It provides a physical focus; it could enable futuristic experiments associated with 'fifth space' lifestyle ideas in new settlement patterns; it could enjoy some advantages of agglomeration; and, as consultants to the Queensland State Government note, "everyone understands real estate, bricks and mortar" (Information Research Unit, 1988a:26).

The Queensland concept of the MFP has, however, a number of advantages over the new city project concept. It is more consistent with the realities of the emerging information society; it avoids the problems associated with a Japanese enclave; it can mobilise resources anywhere in Australia or the Pacific Rim; it would be a stimulus to telecommunications developments; it would help reconcile State conflicts over the MFP's location; and it is not so likely to attract public resentment (ibid).

Where Within Australia?

Since early 1987, all mainland States have given thought as to where the MFP might be located if they were to successfully secure the project, or at least the bulk of it. In Queensland, one location of the Australian MFP is suggested to be the Moreton region (centred on Brisbane in the southeast of the State) (see Figure 3), possibly in conjunction with the new Bond Private University (*Australian Financial Review*, 11 March, 1987). Another site has been proposed in Northern Queensland -- associated with Queensland's 'space port' project-- as a 'spoke' to the Southeast Queensland hub (Andersen Consulting, 1989: Sect 4-11). As discussed above, linkages to complementary facilities in the rest of Australia, in Japan and elsewhere in the

Figure 2: Multifunction Polis – 'Hub and Spoke' Concept
(Premier's Department, Queensland, 1988)


AFFILIATED FACILITIES - Australia
ADJACENT FUNCTIONS - Research
ADJACENT FUNCTIONS - Education
NUCLEUS (CORE FACILITIES) - MFP Management - MFP Communications
AFFILIATED FACILITIES - West Pacific
AFFILIATED FACILITIES - North America
ADJACENT FUNCTIONS - Resort
over 30 mins travel time
under 30 mins travel time

Pacific are seen as possible and also desirable by the Queensland Government (Premier's Department, Queensland, 1987).

The West Australian Government originally singled out Yanchep Sun City, a Japanese owned boating and residential resort, about 40kms north of Perth, the State capital (*Australian Financial Review*, 7 May, 1987). However, a later submission to the study proposed Perth itself (Andersen Consulting, 1989: Sect 4-13). In South Australia, the State government appears to have chosen two scenarios, one of which has the Polis centred on the coast near the Flinders University and potentially comprising a population centre of up to 250,000 people, and another adjoining the Southern Wales wine district (*Australian Financial Review*, 18 November, 1987; Andersen Consulting, 1989: Sect 4-9). New South Wales has earmarked a site in the western suburbs of Sydney which is linked with a second site in the Australian Capital Territory (ACT) near Canberra (*Australian Financial Review*, 8 December, 1987; Andersen Consulting, 1989: Sect 4-3). Victoria originally suggested a number of locations in its area which would be suitable for technology-based settlements (Government of Victoria, 1988), but eventually endorsed three metropolitan sites for Polis - the most preferred being the Docklands area, which is part of the City of Melbourne's 1996 Olympics bid (Andersen Consulting, 1989: Sect 4-6; Committee for Melbourne, 1990).

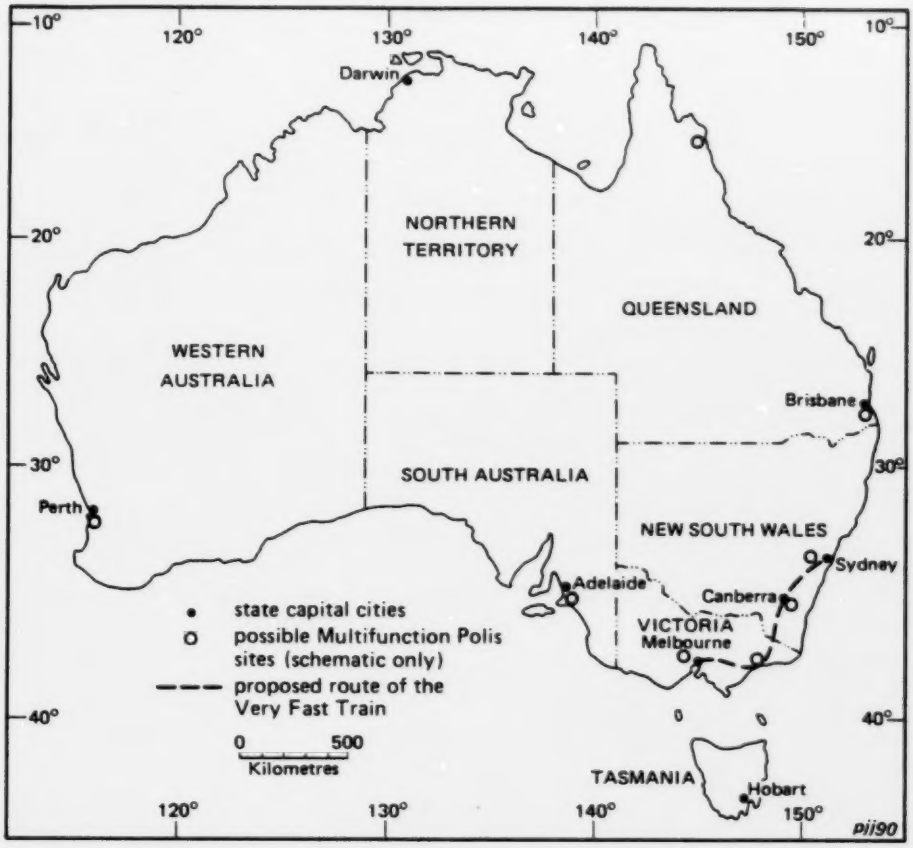
Although the concept was originally presented to the States as a project with a single location, the States have indicated to DITAC they would prefer 'a hub and wheel' solution with something in each State, rather than only one city (*Weekend Australia*, 12-13 January, 1988). Thus whereas the proposal seemed sure to be one of the classics of State competition, agreement now seems to have been reached - in Australia at least - that the MFP should be developed cooperatively, with perhaps one State acting as the hub for the city but with many of its other functions being devolved to the other States.[4]

The Japanese originally expressed a preference for a scenic coastal site, close to an international airport and with the capacity to accommodate 200,000 people or more. As noted already, the Japanese are keen to see a major new city development to satisfy their vision of work, leisure and education opportunities available in the one community (ie. the 'fifth space' concept). Japan would like to see a satellite city built away from the metropolitan area, connected back to the urban centre by high-speed linear motor trains. If this were to be anything like a Japanese technopolis then the MFP core would most likely be based about 50kms from a 'mother city' (possibly in this case an Australian State capital) and have a population of between 50,000 and 100,000 (Edgington, 1983b). Such an arrangement would allow a unique identity to be established, as well as a completely separate legal system (interview with H. Nakagami, Jyukankyo Research Institute [consultant to MITI on the MFP], March 1988, Tokyo).

Such a proposal is, of course, a very high risk solution (to Australian State governments) should MFP not proceed fully, and the separate legal system may be hard to 'sell' politically. Conversely, the Australian side (DITAC) appears to believe that much of MFP's structure, apart from the tourist aspects, could be developed around the country and linked by the latest information technology.

Yet another locational consideration is the current plan in Australia (involving Japanese and Australian companies) for a 'very fast train' to be built between Sydney, Canberra and Melbourne (Figure 3) (Wild et. al., 1986). As MITI's plan called for MFP to have innovative transport infrastructure, then perhaps the Polis could be located along this proposed transport

Figure 3: Possible Locations of the Australian MFP
Source: Anderson Consulting (1989) and other sources.



corridor - possibly at Lakes Entrance in Victoria, which is the only point at which the very fast train is set to touch the coastline.

It should be remembered that Australia's only successfully implemented 'new town' has been Canberra, the inland national capital. Canberra was first designated in 1911, but did not receive funds for its full development until the 1950s and 1960s (Yencken, 1988:39). The federal Labour Government of 1972-1975 established a growth centre program at Albury-Wodonga, Bathurst-Orange, Monarto, and MacArthur: but only Albury-Wodonga on the New South Wales/Victorian border had been maintained into the 1980s. The tourist centres of the Gold Coast and the Sunshine Coast in Queensland may also be seen as new cities which have grown, if not with total spontaneity, then largely without authorised Federal and State government sponsorship. They are manifestations of strong autonomous growth generated largely local government and private sector initiative (Mullins,1988; Sanders,1988).

The rapid extinction of the federal growth centres program after 1975 marked the virtual end of government interest in new city development until the emergence of the MFP proposal. In this context it is not surprising that Australia's only new city proposal in 20 years comes from industry, technology and commerce perceptions rather than from any perspective of locational priority or need.

IMPACTS UPON AUSTRALIA AND THE PACIFIC

Whether the MFP is ultimately viable or not, the flurry of activity that it has engendered since 1987 has at least prompted both the public and private sectors to look at their strategies, investigate what is occurring, and provide some indications of where a new city might advantageously be placed. Even if MFP does not proceed, it may have stimulated an important by- product with the renewal of policy interest, if not in new cities, then at least in planning, preparing and providing for growth in non metropolitan areas through Australia.

The international management consultants (Arthur Andersen and Co.) hired by the Australian and Japanese governments spent 15 months puzzling over the financial and technical feasibility of the Multifunction Polis. A complex organisational structure was set up to guide this process involving both private and government sector input, but to date very little public debate (Yencken, 1989a, 1990).

From the outset of the study it was decided by both governments that the MFP would only proceed if it were judged to be commercially viable -- hence the need for maximising private sector participation. The role of government was seen as advising and assisting, but not that of the main implementing agency (Bailey, 1988). There was the perceived need therefore to convince international investors that such a project would work in Australia.

From the Japanese side many reservations existed about the level of technology transfers that was likely to result. These doubts centred on Australia's capacity and willingness to facilitate such transfers. For example, the generally low level of R & D performed in many of Australian manufacturing firms, the lack of scientific and/or technical training of Australian business executives, and the generally poor level of on-the-job

skills formation among the work force could make difficult the smooth transfer -- and perhaps more importantly -- the absorption of technology from overseas.

The leader of a recent Japan investment mission to Australia (Naohiro Amaya, an ex-MITI bureaucrat) used the following metaphor to express these concerns:

> *Australia is like a swimmer who has learned to swim in the pool of a luxury hotel; it now has to change its attitude if it is to swim and not sink, in the Pacific Ocean. People... may claim to be excellent swimmers at Bondi Beach [Sydney's famous surf beach], and since Bondi is part of the Pacific, they claim competence in the whole ocean. Be that as it may, such an attitude is not reassuring to sceptical overseas investors.* (Amaya, 1987: unpaginated)

Seen in this light, it is understandable how Polis has been greeted by many in Australia as a catalyst to foster the type of changes that are required in national attitudes toward research and product innovation, market orientation and inherent skills and technical capabilities.

In the 1980s Australia had been one of the countries most affected by the pace and direction of technological change in Japan. On the negative side, Japan's technological development has had a major impact on Australia's primary exporters (Japan Secretariat, 1985). Due to major shifts which have occurred in Japan's industrial structure, the growth in demand for many of the raw materials, energy and foodstuffs that Australia has traditionally supplied have either plateaued or slowed down.

On the positive side, cooperation under the Australia/Japan Science and Technology Agreement offered potential for technology transfer to occur and has already promoted closer relations with priority areas for cooperation -- namely biotechnology and advanced materials as well as biomedical technology, communications technology, information technology, manufacturing technology and marine science (Japan Secretariat, 1985b:13). Despite this, however, present bilateral co-operation between Australia and Japan in technology and science occurs predominantly through non-government channels with the principal thrust involving commercial/ entrepreneurial mechanisms. Moreover, Japan's performance in the transfer of technology to Australia and elsewhere has, to date, been disappointing (Edgington, 1989a, 1990a).

Australia's best response to the Polis initiative might, therefore, be one of publicly accepting Japan's offer in good faith and taking full advantage of whatever benefits it might offer but, at the same time, being extremely vigilant in protecting its industrial interests. At the end of the day, it will be the commercial realities and opportunities which will determine the nature and extent of technology cooperation.

Work Carried Out For the Joint Feasibility Study in 1989

In April 1989 a pilot concept for the MFP was completed, laying down the basis for further work on the feasibility study (*Australian Technology Magazine* [Canberra], June/July 1989, 10). The study consultants have, to some degree, had to re-invent the wheel on the MFP's themes. A re-evaluation of the ideas proposed initially by MITI, revealed three concepts which were found to have considerable appeal in light of Japanese and Australian objectives for the MFP (Arthur Andersen and Co/Kinhill 1989a).

The Biosphere. This theme is aimed at researching environmental sustainability and solving the major environment problems of the world's ecosystem (ibid:17). Here the MFP would be both a model for future economic development and a focus for international environment management. This would provide opportunities for international investment in commercial ventures (including both new products and processes) and have the potential for broad international acceptance.

The Biosphere concept addresses the major objectives of Japan, i.e., an increase in international cooperation; an improvement in environmental management; production of technological advances; creation of new life style forms; and enhancement of Japan's world image through solving world problems (ibid).

Technopolis. This theme is based on Australia's competitive advantages in the services and research, and involves a global centre for the development and dissemination of technological innovation and information (ibid:40). The concept addresses a number of Australia's objectives in economic development, including wealth creation through the pursuit of growth industries where Australia will continue to have a comparative advantage and world competitive infrastructure into the 21st century. It focuses on the acquisition of new technologies for sustainable competitive advantage in the information era. Target industries identified for this element which might have commercial applications include education, environment, health, information and leisure services.

Apart from resources, Australia still has one of the world's better living environments: there is the need therefore to see the role of Australia as a centre in the West Pacific for communications; financial services; media production; education and training, and health services; and innovative construction and design systems (ibid).

Renaissance Polis. This envisages an international centre for the arts, culture, research and learning (ibid:56). It is a concept which reflects a significant element of the Japanese focus for the MFP. It represents human potential as embodied in lifestyle, education, research and human exchange. This element would provide for cultural advancement, involving cultural facilities, innovative services in the areas of education, health, sports and recreation, tourism, resorts and conventions (ibid).

Throughout 1989 the consultants worked at identifying commercial opportunities associated with these concepts. Specific business opportunities within each of the three elements were explored, and key 'seed institutions' which could be established with public/private support identified.

Of note is a proposal to establish a Global Resources Monitoring Centre, incorporating a super computer based environmental simulation facility. Australia's world class strengths in remote sensing technology and cartographic software, were considered to provide a potential focus for Asia-Pacific resource monitoring and management. Other possibilities for seed institutions included a Pacific Rim Weather and Mapping Centre (Arthur Andersen and Co/Kinhill 1989a:21).

The consultants expect the total investment for Multifunction Polis to cost in the order of A$10 billion and involve a settlement (or settlements) having a population base of over 100,000 persons and a 40,000 workforce (ibid:94). This is comparable with the size of Tsukuba Science City in Japan (Edgington, 1983a).

A marketing report for the international investment community was prepared in September 1989 (Arthur Andersen and Co/Kinhill,1989b), and the final stage of the feasibility study completed in December 1989. This stage involved the exploration of specific project configurations and sites, financing and governance issues, etc., and the consolidation of the study material (Andersen Consulting, 1990). No particular site was endorsed, although the report noted that the New South Wales, Queensland, Victorian and South Australian proposals seemed likely to attract most favourable investor attention. Conversely, the Perth, ACT and North Queensland proposals were recommended to be pursued as separate local developments. A final feasibility report, prepared by the Joint Australian/Japanese Steering Committee, and based on all deliberations to date is scheduled to be handed to the governments of Japan and Australia in June 1990 (Department of Industry, Technology and Commerce, 1990).

Impact on the Pacific Rim

The Multifunction Polis, if implemented, will have implications stretching beyond Australia to the rest of the Pacific region. In fact, a Pacific focus has been a feature of the MFP concept since its conception. For Japan, the Pacific has long been its 'sphere of influence' (Edgington, 1983c); for Australia, possibly the biggest issue facing the country today is how it might share in the momentum of the Asian Pacific economy (*South*, November 1989).

In this regard, the latest round of negotiations aimed at achieving coordinated economic development in the Pacific Rim may enhance the likely success of the project. While the idea has been around for a long time (see Drysdale, 1988: Chapter 8) a new consensus has emerged that the time is right for more formal mechanisms to draw attention to a Pacific Rim economy. Regional economic cooperation among the nations of the Pacific Rim - including technology cooperation - is now seen as a desirable course of action (*Japan Economic Journal*, 10 June, 1989). For some decades Europe has developed an infrastructure of multinational institutions to manage its independence and to facilitate its integration, which will culminate in 1992 with the creation of the European Community single market. To date the Pacific has lacked such a regional mechanism of collaboration, reflecting the vast expanse of the region, its cultural diversity and historic rivalries and resent-ments. Nonetheless, a significant step towards potential development of formal mechanisms took place at a meeting of Ministers from many of the nations of the Pacific Rim in Canberra between November 6-7, 1989 (*Economist*, 11 November, 1989; *South*, November, 1989).

This move is symptomatic of the new feeling that 'the time is right' for the formation of a mechanism for Asia Pacific Regional Economic Cooperation as the world is about to enter 'the Pacific century'. If such a proposal were to proceed, then a Pacific-focused MFP would be a powerful vehicle for future dialogue on issues concerning technology transfer in the region (ibid).

CONCLUSIONS

MFP may be regarded as a unique concept in the history of human settlements, one which reflects both Japan's moves to internationalize, as well as new directions in international technology cooperation. The project has undoubtedly moved away from MITI's original 'Utopian' concept of a single purpose-built city on a greenfields site. Although the detailed parameters of this project are still rather ambiguous, it is clear that the MFP could have major implications at the local, national and international levels in both the short and long terms, and therefore is strategic in the broadest sense.

Whatever the merits, viability and future prospects of the MFP, in Australia it has generated extraordinary interest in both government circles and the private sector, providing an opportunity to revitalise interest in neglected policy areas of urban growth, planning and infrastructure provision. It has forced governments and corporations into reappraisals of the laissez faire approach to growth and development planning which has dominated thinking since the late 1970s. The most important single source of benefit that the MFP can hold for Australia therefore is the "jolt to the system, the getting of new ideas or agenda" (Information Research Unit, 1988a: 32).

In this sense, even if no joint Japanese development ever takes place, the MFP proposal will still have served Australia well by stimulating evaluation of its relationships with Japan's increasingly important economy.

MFP could become a catalytic process for the unleashing of mutually advantageous, innovative potential in the Australia-Japan and the Australia-Pacific Rim relationships: a process that could help transform the Australian economy, giving it the high technology base that is becoming essential in the modern global economy. In that process it could also help Australia integrate into the dynamic Asia-Pacific economy.

For Japan the MFP could further goals of internationalization, the performance of more creative R&D, and international technological collaboration with American, Australian and other Pacific companies. It could also help Japan achieve a more mature, less self-interested, role in global affairs. If the MFP fails, or turns out to be a Trojan Horse for other objectives, Japan's international credibility could suffer considerably.

For the nations of the Pacific the MFP could help focus attention on the Pacific Rim economy, as well as mutual technological collaboration and thus further developments likely to make the 21st century the 'Pacific Age'. Both DITAC and MITI now regard the MFP as an international venture, and should it proceed further it will be essential that other areas of the Pacific (including California, British Columbia and some of the West Pacific countries) be brought into later stages of MFP planning.

Having recognised that potential, three basic qualifications must be stressed. First, the cost of "thinking" -- and that is what the activities in the MFP should be seen to be about -- is formidable (Information Research Unit, 1988a:32). The creation of new organisations - such as the proposed Global Resources Monitoring Centre - would invariably be a slow process of capital formation involving massive outlays on people and the organisational arrangements to handle the requisite information. Conversely, the securing of benefits from R&D and high technology information networks is highly competitive and uncertain on the world scene. The consequence is that participation in MFP holds both threat and promise. It requires massive increases in outlays on information and information systems (the capabilities of people, and organisational arrangements to handle information) and its payoff is long-term.

Another issue to be settled is intellectual property rights. Where Japan's MITI has taken part in joint research ventures with private enterprise or other countries, the Japanese government has monopolised patent rights on any product developed. For instance, in a joint venture between Japan and the State of Victoria concerning a coal to oil pilot production plant, the Japanese side put up all of the A$200 million for the plant, but decreed they had to have full rights to all new technology emerging from it. Their only concession to the Australian government was that it could license the technology on commercial terms - just like the rest of the world's nations who had contributed nothing (Edgington,1987; see also Reich and Mankin, 1986).

The final qualification concerns community acceptance. Recent attacks on multiculturism in Australia have brought into question long standing political agreements about the desirably of building a society based on a large number of migrant groups (Yenken, 1989a:81). Care must be taken that the MFP does not fuel such a controversy. The conclusion of the recent MFP Social Issues report was that there were no insuperable social, cultural or environmental problems associated with the MFP proposal (ibid:vi). However, a public consultation strategy, with systematic input from sociologists, women, Australia's many ethnic groups, urban designers and environmentalists, has been lacking up to now. In light of the domination of business and government groups in MFP planning to date, it will be a necessary precondition to further stages of defining the contours of this uncommon exercise (for further comments see Yenken, 1989b).

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NOTES

1. Since this paper was first prepared, consultants advising the Australian and Japanese governments released their final feasibility report for the MFP in January 1990 (Andersen Consulting, 1989).

2. The MFP concept initially was incorrectly linked with other Japanese proposals in the mid-1980s for the retirement overseas of Japanese people (*Australian Financial Review*, 9 February,1987). Specifically, in 1986, MITI put forward proposals for Japanese retirees to settle in Australia under the rubric of the 'Silver Columbia' plan; a proposal to help Japanese seniors who wanted to settle overseas and live off their savings in countries - such as Australia - that would be more comfortable and cheaper to stay in than Japan (*Australian Financial Review*, 9 February, 1987). The Japanese Government received much criticism for this scheme, both at home and abroad, as people doubted whether it was justifiable to export old people and establish exclusive Japanese villages in other countries. In an effort to fend off these negative reactions, MITI subsequently distanced itself from these proposals and in 1987 set up a special group (Research Council for Extended Leisure Stays Abroad [ELSA]) to reshape the plan (*Japanese Economic Journal*, 17 October, 1987). Their report criticised the earlier Silver Columbia proposal, but retained the original idea by adding three other sections of the Japanese population that might take part in extended overseas leisure experiences - people who live at resorts; people who work for short periods overseas who would combine overseas activities with leisure experiences; and people participating in study-for-life activities including those on company training programs. The report estimated that there would be more than 150,000 Japanese participating in these extended overseas leisure activities by the year 2000. MITI was subsequently expected to incorporate recommendations from the Research Council into a new leisure policy (ibid.).

3. Building upon private sector 'think tanks' and the work already carried out by the two governments it attempts to specify a concept for the Multifunction Polis that is both economically viable and of interest to international investors. The report has been welcomed by the Australian government as it found that the MFP could be developed with commercially-based activities that were consistent with Australia's economic and social objectives (*Australia Report*, 2 February, 1990). However, some commentators, such as Professor Yencken of the University of Melbourne, have recently criticized this report because of its generalities and lack of detailed analysis (Yencken, 1990).

4. At the time of going to press, Adelaide was chosen as the preferred location but this decision had not yet been endorsed by the Australian Federal Government (interview with P.Williams, Australian Embassy, Tokyo, July 1990).